

Kagan Decl. Ex. 7

From: Steve Cohen <steve.cohen@stevecohenesq.com>
To: Philip Karasyk
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Sent: 4/20/2017 6:49:52 PM
Subject: Class action follow-up

Mr. Karasyk:

As I mentioned, within the next month we will be filing a major class action against GHI and Empire Blue Cross Blue Shield. We are looking for a few more name plaintiffs.

The “we” is a major class action plaintiff’s firm; I am co-counsel. It was while wearing my investigative journalist’s hat that I uncovered the fraud. I spent 35 years as a publisher before going to law school, and am the author of 7 books (including four best-sellers and a couple flops.) I’m a regular Op-Ed contributor to The New York Times, Wall Street Journal, Time Magazine, and City Journal; and a member of the Editorial Board of the New York Observer.

The alleged fraud affects every member who used an out-of-network doctor or hospital. Between 2011-2014 members used out-of-network providers about 3 million times per year. On a percentage basis, the out-of-network usage averaged 11% of the total plan usage. In some categories of usage – such as in-hospital surgery – the usage of out-of-network doctors was much higher, averaging 23% each year.

We have evidence showing the under-reimbursement to members ranged from 35% to 50%, depending upon the type of procedure.

My investigation has been ongoing for four years, and was the basis of the Attorney General’s action against GHI that resulted in a \$3.5 million fine. The underlying facts for that settlement reflected a tiny portion of the evidence.

Your members are affected by the insurers’ actions. Some were cheated by only a few hundred dollars; others by tens-of-thousands of dollars. We hope to recover as much as possible for them.

As you know, name plaintiffs typically receive a small “bounty” in addition to the individualized recovery – often \$10,000 to \$15,000. We need just a few more.

I am no longer shocked by the reaction I get when I tell people what we are doing. Almost no one who has the

policy is surprised, and a significant minority has been affected directly and substantially.

Please let me know how you would like to proceed.

Thank you.

Steve Cohen

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